



Testimony of John Malfettone, Chairman
In support of

**SB 8 AN ACT CONCERNING THE UNFUNDED PENSION LIABILITY PORTION OF
THE FRINGE BENEFIT COST FOR EMPLOYEES OF THE CONSTITUENT UNITS
OF THE STATE SYSTEM OF HIGHER EDUCATION**

Before the Higher Education and Advancement Committee
February 17, 2022

Chairperson Slap, Chairman Elliott and members of the Higher Education and Advancement Committee, my name is John Malfettone and I am the Chairman of UConn Strong, an independent non-profit organization founded in 2018 to promote the connection between excellence at the University of Connecticut and its impact on the state of Connecticut. The growth and sustainability of Connecticut's economy as well as the vibrancy of our state's culture are both stronger with better prepared Huskies graduating. Prior to my current role, I served as Chairperson for the UConn Foundation and spent ten years as a member of the Foundation Board. I graduated from UConn with a BS degree in Accounting, met my wife there, my best friends are UConn alums, and I have worked in Connecticut for 40 of the 42 years that I was employed prior to retiring in 2018. I owe all I have to the University of Connecticut and bleed blue every time I nick myself with a razor blade.

I am here today to testify in support of the following:

**SB 8 AN ACT CONCERNING THE UNFUNDED PENSION LIABILITY PORTION OF THE
FRINGE BENEFIT COST FOR EMPLOYEES OF THE CONSTITUENT UNITS OF THE
STATE SYSTEM OF HIGHER EDUCATION**

As an organization committed to ensuring the continuation of UConn's positive contribution to the state's economy, this is a critical issue for us – perhaps the single most important budget issue facing the University and the Health Center in 2022 and beyond.

As most of us have heard over the past several years, the issue of the continually increasing state unfunded pension and healthcare liabilities (legacy costs) being charged to UConn, UConn Health (and other higher education institutions) is a serious problem. These are state liabilities that no other state agency is burdened by, and their costs are preventing UConn from reaching its full potential as an economic engine for the state.

These costs hugely impact UConn and UConn Health's budgets, directly affecting students, families, researchers and husky nation. To fund these costs, UConn is forced to use tuition and

fee dollars, money that should instead be going directly to funding our students' educations. Money to support these costs adds up to a burden of \$1,050 per student.

UConn and UConn Health research fringe rate is an outlier, approximately 30% higher than the institutions UConn collaborates and/or competes with. This results in fewer research grant dollars, innovation, commercialization, and federal dollars to the state's economy. More research grants would enable UConn to incubate and commercialize ideas into businesses that can help the Connecticut economy. Being a top research institution is critical to the mission of the University and important for job growth in our state.

By allowing UConn and the UConn Health Center to compete on a level playing field with their peers, we will maximize their impact on the state's economy, beyond the \$5.3 billion already injected into the state's economy, as noted in the UConn Impact report, released in 2020.

Thank you for the opportunity to testify. I look forward to working with you on this and other matters in this session and beyond.